

FOUNDATION FOR FAIR CONTRACTING OF CONNECTICUT, INC.

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Commerce Committee
Public Hearing

March 13, 2014

Re: SB 304 - *An Act Maximizing Jobs For State Workers By Requiring Local Construction Hiring Reports By Recipients Of Economic Development Funds*

SB 421 - *An Act Concerning Certain Bidding Preferences In State And Municipal Contracting*

Senator LeBeau, Representative Perone, Senator Frantz, Representative Lavielle and members of the Commerce Committee,

The Foundation for Fair Contracting of Connecticut (FFC) is a non-profit organization created by labor and management in order to monitor all public works construction projects covered under the Connecticut General Statutes Section 31-53 and the Davis-Bacon Act. We accomplish this by reviewing public documents prepared and/or submitted by the owner and contractor(s). We focus on licensing, proper payment of prevailing wage rates, proper classification of workers and properly administered state apprenticeship standards.

We want to thank this committee for raising again the concept and bill - SB 304 *An Act Maximizing Jobs For State Workers By Requiring Local Construction Hiring Reports By Recipients Of Economic Development Funds*. The FFC fully supports SB 304.

Last year, the Commerce Committee raised this bill as SB 1130. It was JF'd out of committee and passed the Senate with bipartisan support.

SB 304 is a timely and necessary piece of legislation that will bring more transparency and incentivize local hire on our DECD funded construction projects. This bill was born out of a culmination of discussions around how to give preference to our in-state, responsible contracting companies.

There are hundreds upon hundreds of prequalified companies in Connecticut who in turn employ the thousands of skilled journeymen throughout our state. It is common knowledge that the construction industry acts as an indicator of our economy. That being the case, we should always strive to sustain and expand the industry. Unfortunately, many of our journeymen are sitting on the bench themselves, waiting to go back to work to pay their mortgages, support their families, make sure that they and their children maintain their health insurance, and work until they can retire with dignity. We have construction companies that have been in operation for over 30 years that are now met with the tough decision over whether or not to close their doors.

We owe these men and women, who went into the construction industry to build a solid career, the opportunity to be a part of and strengthen our middle class.

DECD has proven to be a valuable asset to Connecticut's growing economy. Programs like the Small Business Express have proven to be incredibly successful. With SB 304, DECD funded construction projects will be yet another branch to highlight.

SB 304 is policy that we can all get behind because we want the largest return on our investment. We want to make sure that our financial assistance programs are working. We can do this by ensuring that the construction jobs created through the use of grants, loans and tax credits actually go to CT workers who spend their pay checks back into our state's economy. We don't simply want to tout job creation. We want to tout family sustaining job creation - with a clear path to independence for so many working people who are sadly still on state assistance.

We applaud this committee for raising this common sense initiative. SB 304 is good policy. We urge passage of this bill.

The FFC also wants to testify in support of SB 421 *"An Act Concerning Certain Bidding preferences In State And Municipal Contracting."*

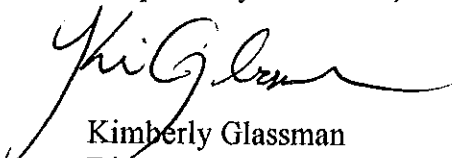
This bill would give a preference to in-state companies based upon the amount of Connecticut income taxes projected to be paid by its employees. This is an incredibly creative and revolutionary idea that prompts me to wonder why we haven't considered this before. Our instinct as consumers is to seek out the lowest, cheapest price. Part of the problem is our public awarding authorities tend to do the same thing. But we get what we pay for. When we constantly award the lowest bidder, we ultimately continue to exploit our responsible in-state companies and our Connecticut workforce, and perpetuate the race to the bottom - or plummet to the bottom.

It is our position that the best way to incentivize hiring Connecticut based companies, and incentivize more in-state companies to bid public projects, is a preference based upon income tax revenue. No longer will those willing to bus in a workforce from out of state be awarded with our contracts. SB 421 levels the playing field in the most logical way. Passage of SB 304 and SB 421 seeks to gainfully employ Connecticut workers. Helping our local companies means growing our local economy.

SB 421 would go a long way to solve inequities in our state's construction industry. We urge this committee to support this initiative and we urge passage of this bill.

We thank the committee for holding this public hearing.

Respectfully Submitted,



Kimberly Glassman
Director